Discover what’s next for global process owners

Enabling the next wave of transformation through global process owners

October 2023
The future global process owners’ (GPO) role is a key performance enabler of successful transformation across the enterprise. It is critical to build transformative capabilities, end-to-end processes, services, solutions and experiences, and succeed in accelerating the path to the next wave of global business services (GBS), alongside driving the deployment of the next generation of enterprise resource planning (ERP) systems and disruptive technologies.

Maria Saggese
EY Global and EY EMEIA GBS Solution Leader
From passive to active ownership – GPOs as “shock troops”

For almost two decades, many companies have appointed GPOs with the aim of owning and steering end-to-end processes, cutting across functional silos, business unit boundaries and geographies. The GPO could set common standards for the process, but execution could differ to accommodate the needs and (regulatory) requirements of different business units and geographies.

The initial GPO mandate and remit was mainly to scale up and govern processes in shared service organizations (SSO) or GBS organizations, monitor process performance and advise the operational teams on possible improvement initiatives. This, and the continued focus on tactical opportunities, has resulted in GPOs not being able to truly transform processes end-to-end and deliver breakthrough results. A typical struggle for GPOs has been the uphill battle to overcome resistance from business units and geographies.

Past ERP deployments and technology transformations did not always take the benefit from the GPO role when it was in place; solution design was often led by selected function leaders or their respective information technology (IT) business partners, supported by process champions, often being “just” key users.

Is now the GPO just the latest “must have” job title, or are GPOs a force to be reckoned with?

The role of the GPO has become more important than ever - not just for GBS as it matures, but for the enterprise as a whole, as business models evolve and the need for technology-led transformation continues to increase. A strategic GPO capability can unlock value from process improvement, automation and digitization initiatives and implementation of the next generation of ERPs, bridging the gap between business, process and technology to help drive the transformation agenda across the enterprise.

In this white paper, we share our perspective on how the GPO role is evolving, what the future GPO role could look like, along with the critical capabilities to succeed and how companies need to enhance and upskill their GPOs.

Hot topics to explore for GPOs

1. How is the GPO role becoming more strategic in delivering transformation across the enterprise?

2. What are the common challenges of the current GPO setup and how to overcome them?

3. What capabilities does the GPO need to succeed?

4. Where does a GPO sit in the enterprise?

5. What are the key differences across processes and functions from a GPO role perspective?

6. What are the roles and responsibilities of a future-fit GPO?

7. What is required for the GPO to make the biggest impact on process performance, user experience, solution innovation and efficiency?

8. What career and upskilling opportunities will enable the GPO of the future to be successful?
1. How is the GPO role becoming more strategic in delivering transformation across the enterprise?

The role of the GPO is critical in times of major business disruption, of new operating models and of large-scale digital and ERP transformations. The GPO should drive business consistency and value from implemented operating models and solutions as well as driving a model of continual operational improvement.

As enterprises continue evolving their business and operating model, change their size through organic and or inorganic growth, perform divestitures, embark on next-generation ERP and digital transformations, and expand the ambition and scope of GBS, the role of the GPO has never been more important than in today’s world economy.

Processes require harmonization, simplification, standardization, measurability, and (hyper-)automation, irrespective of whether they are executed in a market, in a corporate or in a GBS organization. Process changes or re-design triggered by continual improvement needs or by new business or market requirements, along with their technology and digital enablement, typically undergo a similar cycle and need to have a consistent ownership, steering model and defined set of artifacts to deliver the expected outcome. The role of the GPO needs to shift from tactical to strategic.

The GPO organization will provide the required know-how across the end-to-end transformation lifecycle as indicated in Exhibit 1. The role of the GPO is to ensure these changes align with the process “north star,” work in partnership with business heads, function heads and technology stakeholders, and enable strong change management across the business and all the impacted stakeholders. Enterprises undergoing a large next-generation ERP and or digital transformation should establish a GPO organization prior to starting the journey or rather at the beginning, especially in greenfield strategies.

Exhibit 1

- Identification of new opportunities for change, e.g., new ERP, M&A, new business models, GBS (expansion), etc.
- Management of changes and assistance with the integration of solutions into the business
- Retrospective and lessons learned of implemented changes
- Knowledge management
- Definition of scope and strategic design principles
- Assessment of change impact
- Evaluation of design needs and requirements for delivery
- Outline of required artifacts to enable implementation of changes
Shared service and GBS transformations also require a strong GPO organization in place to drive the leap to the next S-curve of GBS.

Shared services and GBS organizations have long been functioning as “back-office processing units”, tasked solely to drive cost reduction and productivity. At present, GBS organizations are on a trajectory of growing impact and maturity in their delivery models.

The next “S-curve” (see Exhibit 2) centers on enterprises putting GBS at the forefront of business performance and using it to drive real business value. To leapfrog to the next S-curve of GBS (next-wave GBS), leading GBS organizations rely on a strong GPO organization to drive the expansion of GBS’ remit along with the establishment of capabilities to deliver new sources of value.

Exhibit 2

**The new S-curve for GBS**

What is expected for the GPO to drive the leap to the next S-curve of GBS and create enterprise-wide value?

The GPO organization has a critical role to play to enhance the value GBS delivers to the enterprise. It liaises with the head of GBS, business leaders, function heads, head of enterprise transformation and IT business partners in order to set the vision first, lead the change in processes, services and solutions, and then achieve the following outcomes of next-wave GBS:

- **Efficiency ... to improve GBS productivity and impact** by establishing new capabilities to drive delivery excellence and leverage investments in hyper-automation.

- **Effectiveness ... to improve GBS credibility** by providing accurate, and timely data and insights to the business to inform better decision-making and decreases business risks, e.g., to reduce value and revenue leakage, and improve working capital, compliance and control.

- **Experience ... to drive adoption and stimulate appetite for more GBS capabilities and services** by designing a service portfolio and catalog built on GBS’ customer needs and expectations and delivering consumer-grade experience across any channel.

- **Enterprise’s digital innovation engine ... to uplift GBS’ reputation** by driving enterprise digitization across functions, business units and markets, scaling up service and solution innovation, and freeing up business capacity to enable a greater focus on business transformation and growth.

Digital, next-generation ERP and GBS transformations need an aligned scope and should establish one GPO organization to drive end-to-end process and technology changes, secure consistency and achieve maximum impact.
2. What are the common challenges of the current GPO setup and how to overcome them?

There are a number of common factors that may limit the success of the role of the GPO.

While organizations usually set out with an ambitious vision for the GPO role, what we often observe is that they are not set up within the right ecosystem, i.e., organizational structure, leadership empowerment, strategic governance, and so forth. The result is that they do not achieve the outcomes that were set as part of the ambitious vision. In some cases, internal politics can even hinder the creation and appointment of GPOs, creating tension between functions, business units or regions where different agendas are at play – in a scenario where an enterprise has grown through multiple acquisitions, it may be challenging to appoint a GPO that has the breadth and depth of experience across the different functions, business units, regions and even cultures. In these cases, too much focus is spent on who the GPO will be vs. what value they will drive, and how to empower them to be successful within the complexities of the organization.

Unclear roles and responsibilities

**Typical challenges**
GPOs spend most of the time supporting service delivery managers and/or operations managers in solving operational and tactical issues, as roles and responsibilities are not clearly defined, therefore focus on solving for the “here and now” instead of taking a step back to understand root causes of issues and defining the longer-term roadmap to solve root causes.

**Typical success factors**
GPO roles and responsibilities should be clearly defined and communicated across key stakeholder groups. Service delivery managers and/or operations managers should focus on day-to-day execution and issue resolution, but flag recurring issues to GPOs. GPOs need to have the bandwidth and skillset to conduct root cause analysis and determine the short, medium and long-term solutions to minimize process issues and business disruption.

GPO personal attributes and capabilities

**Typical challenges**
GPOs may lack the crucial skills needed to create an end-to-end process vision, deliver value-add to the business and drive adoption. As a result, the GPO tends to under-invest in the strategic aspects of the role and focuses on tactical activities, rather than transforming the end-to-end process. GPOs may also lack seniority and organizational power to have the necessary influence in the business, across functions, business units and geographies to steer the end-to-end process transformation.

The understanding of the GPO role and lack of business acumen and strong leadership skills can impact their credibility.

**Typical success factors**
GPOs must make sure that a defined vision for the end-to-end process is tied to the company strategy. The right balance of strategy and tactical details is an imperative competency for one who needs to understand the impact of the minutest details. Choose GPOs who not only have experience in the process area, and business acumen but also have the right seniority and strong leadership skills and the ability to influence others to break down functional silos.

Organization structure and governance model

**Typical challenges**
The organizational structure to accommodate the role can be very complex and can lack both integrated governance and mindset to let the GPOs make an impact. Disbursed stakeholder groups across business units, functions and geographies that likely do not report to one another, decision rights that overlap and lack of dedicated staff beyond the named GPO are typical examples of what makes the GPO role complex to structure and operate. Besides, we observe a lack of a consistent and systematic approach to how to measure a GPO role’s success on operational metrics in the processes they govern, even if the execution of those processes includes elements that sit in parts of the organization that are beyond their control.
Typical success factors
Empower the GPO organization to own and manage the end-to-end process with clear roles and responsibilities and correctly embed the GPO role in the underlying operating model. Encourage cross-function collaboration and set and manage incentives to drive the required culture and mindset across the key parties involved otherwise, the GPO role won’t be set for success. Define clear end-to-end process metrics to measure process performance and GPO performance.

Transformative ambition and roadmap

Typical challenges
Lack of a clear GBS and/or functional and/or digital transformational roadmap or a strong GBS brand does not help build a strong GPO brand.

In order for the GPO to move from the “tactical” to the “strategic,” and really drive the transformation agenda, it needs to be given the right mandate and sponsorship, with clear roles and responsibilities across the organization. This means understanding the root causes of process issues to determine the transformation roadmap versus supporting service delivery and operations managers in the “sticky tape” day-to-day fixes.

Julian Rubbino
EY EMEIA GBS Solution Owner
3. What capabilities are needed to succeed?

The most effective GPO role calls for a distinctive set of personal attributes and capabilities.

Many factors impact the GPO role and its success, such as:

- Transformative agenda of each function
- Process performance, governance and maturity
- GBS scope, scale, maturity, brand and ambition
- Operating model and business specifics
- Degree of cross-functional collaboration within the enterprise
- Technology trends, agenda and roadmap, including the deployment of the next wave of ERP systems, disruptive technologies and technology orchestrators
- Placement and positioning of the IT function

GPOs must be strategic visionaries. They should team up and align with the function head(s) and business unit leaders to define a clear vision for the end-to-end process they own, both for today and in the future (for example through new businesses or services). This needs to align with company strategy, imagining how the process could be optimized in line with future trends and demands. GPOs must also consider their organization’s ability to adapt to those process changes and gauge when to take a small step versus a leap.

As organizations shift from stabilizing their enterprises to dealing with disruption, and from industrial to digital production, they require leaders who embody an evolved set of knowledge, skills and abilities. For instance, GPOs build internal and external networks and communities with common interests and goals. Instead of focusing only on managing change, they focus on driving and embracing disruption. Effective GPOs provide this form of leadership by embracing these new competencies themselves, and by coaching and guiding others and acting as advisors. Equally important, they model newly emerging digital leadership capabilities which are essential in today’s technology-driven business world, such as empathy, resilience and inspiration.

GPO’s personal attributes and capabilities
GPOs are a unique opportunity to break down silos and elevate experience centricity. This is a responsibility that shouldn’t be taken lightly but also needs to be positioned strategically in an enterprise to help deliver on this opportunity.

Matthew Kearney
EY EMEIA HR and Talent GBS Leader
4. Where does a GPO sit in the enterprise?

There are different places to house the GPO role. It depends on many factors.

Varying models of GPO set-up exist, resulting in different responsibilities, accountabilities, reporting lines, key competencies, decision-making authority, and metrics. The four main ones are the business-unit-centric model, the function-centric model, the GBS-centric model, and the enterprise-centric model. The model may evolve over time. The picture below provides a snapshot of their respective key characteristics and reporting lines.

1. Business-unit centric model
2. Function-centric model
3. GBS-centric model
4. Enterprise-centric model

GPOs sit in business units and focus on driving process standards, business and technology or digital transformation across geographies. This model is adopted by some organizations that:
- have specific business unit requirements and limited cross-business unit global harmonization potential;
- do not have one GBS organization across business units;
- do not have a next wave of ERP transformation integrated roadmap across business units.

GPOs report solid lines into the business unit and potentially dotted into GBS, where applicable.

GPOs sit within functions, are part of their management team and focus on driving process and solution transformation within their own function. This model is adopted by organizations that:
- do not have a cross-functional end-to-end setup (yet);
- have a GBS “landlord” model or in some cases, a “hybrid” model e.g., a process partially executed in GBS, partially in a functional shared service organization not integrated within the GBS network, and partially in the business unit.

GPOs report solid lines into the function and, where applicable, dotted into GBS, and are part of the GBS management team.

GPOs sit in GBS and own end-to-end processes, each spanning across one or more functions, business units, geographies, and GBS. GBS works as an autonomous service provider and business units mainly as pure service consumers. This model is relevant for organizations that:
- already have a strong GBS brand that attracts powerful GPOs, or are moving to a mature, integrated GBS model.

GPOs report solid lines to the global head of GBS and typically have a seat on the respective functions’ management team, where applicable.

GPOs sit in Corporate and own end-to-end processes, each spanning across one or more functions, business units, geographies, and GBS. This model is relevant for organizations that:
- have a large enterprise transformation’s integrated roadmap, across business units and geographies, e.g., including next-generation ERP, next-wave GBS, hyper-automation and digitization.

GPOs report solid lines to the global head of enterprise transformation and typically have a seat on the respective functions’ as well as GBS management team, where applicable.
All these four models come with pros and cons. Different GPO models may coexist within the same enterprise, based on many factors, such as functions’ operating model, end-to-end process maturity, service delivery model, GBS brand, business differentiation across business units, enterprise transformation agenda, etc. Organizations with a global end-to-end process strategy, next-generation ERP transformation and GBS’ big ambitions, may opt for a more centralized GPO model - the GBS- or Enterprise-centric model to (1) enable global harmonization, simplification, standardization and synergies, (2) optimize processes through Artificial Intelligence (including Generative AI), (3) drive integrated execution and (4) drive process and service excellence across business units and geographies for the in-scope processes, and (5) increase GBS penetration in functions, business units and geographies. More in general, for organizations that have a GBS transformation agenda as well as a next generation ERP and or digital transformation agenda, the same GPO organization should drive end-to-end process vision, solution design and service delivery placement choices, irrespective of where the individual GPOs sit. They should have a team of global process experts to drive transformation and a network of process champions to provide specific requirements and drive adoption. A GPO global council on enterprise level is an imperative. Based on the latest EY-SSON survey “State of Global Business Services in 2023 and beyond”¹, only a quarter of the surveyed companies have an end-to-end strong global process ownership framework with control over end-to-end process chains in place.

¹ http://bit.ly/3J6dlwK

There is no one-size-fits-all solution as it relates to the definition of the role of the GPO. However, those organizations that opt for a more comprehensive role with an expanded set of responsibilities and clear accountability consistently reap greater rewards.

Marc Thewes
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5. What are the key differences across processes and functions from a GPO role perspective?

The GPO setup still differs across functions and processes.

Over the last two decades, functions have undertaken numerous (technology-enabled) transformations with different priorities, approaches and results. At the same time, they have also leveraged GBS differently, along with different ways to define and establish the GPO role and organization. We have collected many insights during more than 250 client interviews with function heads, GBS heads, digital transformation heads and GPOs across different sectors and have summarized key insights on function and or process maturity with respect to leveraging a GPO model, the GPO’s digitization remit and adoption of the GPO role in a GBS context. In this section, we will look at the key considerations for GPOs across different functions and end-to-end processes.

Context

Most organizations with an end-to-end perspective on finance usually have a well-established R2R GPO role reporting into GBS. Though R2R is a dedicated finance process, working hand-in-hand with other end-to-end GPOs as well as operations teams in GBS is key to better integrating processes along E2E and technology stack.

Process digitalization

R2R process automation and digitization are highly dependent on ERP system setup. In the past an R2R GPO was responsible and accountable for process performance, definition and target setting of strategic, tactical and operational R2R KPIs, with limited influence on ERP system setup. During the last few years, GPOs have been modernizing end-to-end accounting processes by selecting and owning new solutions to complement and enhance the existing ERP system(s) and enable financial close excellence, and accurate reporting with a great user experience. As companies embark on major programs to implement the next wave of ERP systems, R2R GPOs are expected to understand the end-to-end process and digitization potential and strive for influence on ERP and finance system landscape.

This applies as well to Financial Planning & Analysis (FP&A) leaders, who are increasingly positioned as GPOs in GBS over the past few years. They are best positioned to drive automation and data to insights when they understand and own the respective system landscape, e.g., integrated planning systems.

Adoption in GBS

GPOs need to pair with business partners, such as accounting, data architecture and reporting specialists, who have deep expertise in vertical areas of end-to-end R2R. Ultimately the GPO needs to be the architect for translating accounting policies and reporting requirements into a technology-enabled – or even better – automated R2R process.
Context

Most multinationals have a GPO or a global solution owner (GSO) sitting on the human resources (HR) leadership team with a dual reporting line into GBS and the function. Many times, these individuals become the experience and product owners for the HR catalog, technology stack and HR master data.

Process digitalization

The GPO role and the IT operating model are interlinked i.e., the relationship between technical and functional roles across GBS and the IT function are critical. This raises the debate on process ownership versus product ownership versus platform ownership. Over 10,000 HR technology products in the market are making the H2R GPO role more technologically focused than ever, and in doing so requires them to constantly scan, select, and experiment. This results in leading companies taking a global solution ownership path and enabling one individual to own an end-to-end process and the underlining technology enablement.

Process adoption in GBS

GPO in H2R can come in many shapes and sizes depending on the HR function maturity, size of company and HR shared service versus GBS function, e.g., GPO reporting model in place. Often GPOs can also be double hatted center of excellence members or even business leaders who own and drive continuous improvement, experience and data ownership. This is typically in a more mature model and depends on capabilities in the retained function and where GBS reports at the executive level.
**Context**

The O2C process typically spans the sales, supply chain and finance functions. It is one of the more complex processes to define an end-to-end vision, and drive integrated execution, given the touchpoints with the customer and inputs from a go-to-market perspective (for example trade and promotion agreements).

In terms of maturity, the true end-to-end O2C GPO is less common, and without an aligned view across these functions nor a cross-function owner and driver, O2C transformations have typically focused on accounts receivable or order management improvements vs. the end-to-end, which can even be an extension into “sell-to-cash” or “quote-to-cash”.

Historically O2C sat in finance, but only for the accounts receivable portion (or “invoice-to-cash”). Many GBS organizations have been gradually expanding O2C remit to include order management, order fulfillment and customer service. Despite the wider remit, organizations have not placed an emphasis on defining a customer-centric end-to-end O2C process, within the business nor within GBS. Key variations across geographies, different characteristics of the customer base, and regulatory requirements need to be taken into consideration. This makes it challenging to define a “one size fits all” global model, e.g., in consumer products allowable variations would include modern trade and distributed trade market archetypes.

**Digitization**

When in place, the GPO often has the mandate to drive process automation and digitization, however, the O2C process is wide and complex in nature and requires an ecosystem of best-of-breed solutions. An integrated solution architecture is fundamental, ahead on signing off any technology investment.

Large organizations struggle to get all involved functions and geographies onboard and aligned on the same priorities. A comprehensive conceptual solution architecture that includes ERP and satellite solutions for the key building blocks (e.g., customer service management, automated order intake, order fulfillment, bill-to-cash, integration with third parties) alongside main system integrations is hardly available for the current state and often not even drafted prior to embarking on a large next generation ERP and digital transformations. It should actually be a mandatory activity for the GPO and his team.

**Adoption in GBS**

The O2C GPO often sits in GBS, with a focus on order management or credit management, collections, and cash allocation. The O2C GPO with an end-to-end process remit is essential to accelerate the gap to a true end-to-end process that takes into account the upstream sales and logistics activities that impact the downstream finance processes. The GPO therefore needs to have a sound understanding of the business, the go-to-market approach and customer behaviors in order to build the right level of credibility in order to challenge the business where necessary. An example would be the impact of commercial conditions and agreements made with customers that are difficult to validate due to a lack of accurate data, which can therefore lead to potential revenue leakages.
Procure-to-pay (P2P)

Context

The P2P process typically spans the procurement and finance functions. Many organizations today still suffer from a fragmented approach to P2P or source-to-pay (S2P). This leads to significant and avoidable inefficiencies such as a substantial backlog of problematic invoices. P2P is also the gateway for fraud, which leads to value leakage and numbers can be significant. A strong GPO mandate with end-to-end oversight of the process and leveraged technology can ensure proper vendor compliance across the organization and minimize the risks.

It starts with the definition of P2P - some organizations still consider P2P to be accounts payable (AP) or invoice-to-pay (I2P) rather than a cross-functional process, and look at the P2P GPO role and its aims and think their current head of AP could do it. There are even companies that lack a GPO for I2P, they have I2P key users or process champions of individual I2P sub-processes, who lack a holistic view of issues and related root causes.

Leading organizations typically combine (part of) procurement and AP global process ownership in one end-to-end requisition-to-pay (R2P) or S2P GPO role. An S2P GPO often has a team of global process experts or champions for “source-to-contract (S2C),” “requisition-to-order” (R2O) and I2P, with a remit of driving mainly process harmonization, standardization, and measurability.

Process Digitalization

Starting point of optimization is in the operating model. In the S2P process there are strategic (category management, sourcing), tactical (sourcing execution, contract mgt, buying desk) and operational activities (R2P).

The digitalization will follow the operating model. Many companies choose to use an e-procurement suite for core and workflow-based processes and add on specific best-of-breed solutions (e.g., analytics, discovery). Moreover, they will leverage robotics process automation (RPA) in specific areas (e.g., master data, and price updates). The S2P or R2P process automation and digitization are highly dependent on platforms and point solutions beyond the ERP. A GPO should clear any confusion between direct and indirect procurement when it comes to enabling technology. The main difference between S2P and the automation side between SG&A and COGS/Capex is the user and trigger side. S2C is pretty similar. R2P is very different, with requisition being user and or budget-driven in SG&A and material requirements planning (MRP) or sales-driven in COGS. For effective R2P or S2P digitization, the GPO needs to own a strong mandate for the selection of technology solutions to ensure a seamless integrated, controlled and highly automated end-to-end process execution.

Adoption in GBS

The P2P GPO often sits in GBS, with a focus on I2P. The S2P GPO with an end-to-end process remit is essential to accelerate the gap to a true end-to-end process that takes into account the upstream sourcing and purchasing activities that impact the downstream finance processes. The GPO, therefore, needs to have a sound understanding of the business, the sourcing strategy, the buying channels, the supplier characteristics, and the supply risks in order to help anticipate and mitigate business risk and drive smooth process execution.

The S2P GPO role, when established, reports solid line to the head of GBS, but with a seat in the procurement leadership team and finance or AP communities.
6. What are the roles and responsibilities of a future-fit GPO?

The setup of the GPO organization will determine the ability to drive transformation across the enterprise and the GBS’ ability to be at the forefront of business performance.

GPOs ensure that their assigned processes are set up in ways that best balance the current and future needs and desires of key parties involved – GBS, business units, functions and geographies, and the guidelines provided by the IT function. It is important to understand the options when it comes to the GPO’s role and responsibilities more closely. GPOs can have decision rights for key elements of process vision, budget, governance, policies and controls, design, implementation, service delivery model, technology enablement, make or buy decisions and continuous improvements. The extent of these decision rights can vary and requires the right leadership, along with the ability to engage with key relevant stakeholders and partner effectively with them.

1. **Process “north star” and transformation vision** – What are the process’ strategic objectives? And how do they align with the related function(s)’ strategic objectives?

2. **Budget ownership** – Who owns and manages the budget for process and service operations, improvement opportunities and transformation?

3. **Process and service governance** – Who makes key decisions on the process and services and underlying solutions? Which key stakeholders does the GPO need to engage with? What forums are in place to make decisions? Which key stakeholders participate? How can the GPO be a driving force within these process and solution governance boards?

4. **Policies and controls** – What must be done to mitigate risks that processes, and related services present for the company's operations? How to ensure that execution adheres to design?

5. **Process and service design** – What key design decisions must be made to ensure a robust global template along with lean and measurable process execution and service delivery? How to balance simplification and standardization versus allowable exceptions and variations to fulfill market and or regulatory requirements? What standards and business rules are required to ensure correct, consistent and systematic executions?

6. **Process and service implementation** – how to build and deploy the underlying solutions? And how to secure adoption?

7. **Process and service performance measurement** – What are the critical hard and soft metrics? How to effectively leverage performance management to drive decision-making with all relevant stakeholders?

8. **Service delivery model** – Who should execute the process? And where? What skills are required? What does the service delivery placement look like?

9. **Technology demand, architecture and roadmap** – Besides the ERP platform, what additional technology and software(s) will be needed to enable end-to-end process and service automation and digitization?

10. **Make versus buy model** – Will the process be executed partially or fully in a captive delivery center or will (part of) it be outsourced to a third-party service provider? Are there services to be executed by a managed service provider (MSP)?

11. **Continuous improvement** - How do the process and the underlying solution currently operate, what challenges do they have, and how might those challenges be overcome? What process improvement practices should be encouraged in the organization?

When it comes to tech-enabled transformation programs, GPOs are often placed in the role to rethink the company’s existing processes and to design a desired future state aligned with a newly envisioned operating model. Here it is important for the GPO to understand how technology solutions will enable the future design, and work closely with IT stakeholders and other third parties, such as software vendors and advisors to define a future fit solution. Some organizations are taking it further by integrating IT enablement into the GPO role, who then become global capability and solution owner.
Many organizations have started with a GPO light model with a key focus on process governance, design and continuous improvements within SSO or GBS only or a sort of process champion role during earlier ERP implementations. The maturity and strength of the GPO role have evolved, along with the evolution of GBS maturity and the acknowledgment of other key parties involved of the importance of the role and the need to accelerate enterprise transformation and maximize the outcome.

### GPO light role

**Process design and improvement responsibilities for specific processes only**

- GPO role
- Owner and driver

### GPO advanced role

**End-to-end process design, implementation and continuous improvement responsibilities**

- GPO role
- Facilitator

### GPO leading role

**Full-fledged end-to-end responsibility – global process and services, solution, product and experience ownership**

- GPO role
- Owner and driver

- Process “North Star,” scope expansion and transformation
- Budget ownership
- Process and service governance
- Policies and controls
- Make vs. buy decision
- Continuous improvements
- Execution

- Process “North Star,” scope expansion and transformation
- Budget ownership
- Process and service governance
- Policies and controls
- Process and service catalog design
- Process and service catalog implementation
- Service delivery model
- Technology enablement demand and roadmap
- Make vs. buy decision
- Continuous improvements
- Execution

- Process “North Star,” scope expansion and transformation
- Budget ownership
- Process and service governance
- Policies and controls
- Process and service catalog design
- Process and service catalog implementation
- Process and service performance measurement
- Service delivery model
- Technology enablement demand and roadmap
- Make vs. buy decision
- Continuous improvements
- Execution

- Full GPO responsibility
- Partial GPO responsibility
- No GPO responsibility

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**GBS Business and corporate**

**Design**

**Implement**

**Technology**

**Vision**

**Governance**

**Policies and controls**

**Process and service governance**

**Process and service catalog design**

**Process and service catalog implementation**

**Process and service performance measurement**

**Service delivery model**

**Technology enablement demand and roadmap**

**Make vs. buy decision**

**Continuous improvements**

**Execution**

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For next-generation ERP transformations and/or implementations of a wider ecosystem of technology solutions, the GPO organization plays different roles throughout the full transformation lifecycle, as illustrated in the picture below.

**Define phase**
- Exploration of the art of the possible
- Framing of scope, definition of main business and technology requirements
- Definition of process “north star” and targeted experiences
- Definition of process splits for markets, regional or global business and GBS
- Definition of technology target landscape (along with software selection, where required)

**Design phase**
- Design of target state for processes, experiences and solutions, aligned with all key stakeholders
- Design of detailed blueprint alongside with persona journeys, process workflows and performance management framework
- Design of policies and internal control system and adherence tool

**Implementation phase**
- Execution of fit-gap, analysis of results and validation of specific process, solution and experience variances
- Validation of outcome and adherence to design
- Development of work instruction, following global standards

**Rollout and sustain phase**
- Governance of the global template
- Performance measurement and monitoring of the execution based on defined KPIs; value realization measurement
- Evaluation and consolidation of business and GBS change requests
- Drive continuous improvement
- Drive of GBS scope evolution (e.g., activity split expansion, potential offshoring) and maturity increase
7. What is required for the GPO to make the biggest impact on process performance, user experience, solution innovation and efficiency?

The GPO’s future role, as an enabler for next-wave GBS, for digital and next-generation ERP transformations, will need to shift to a capability, solution, experience or product mindset. This will lead to the definition of a global capability, solution, experience, or product owner, and will require a new set of skills to really drive value to the whole enterprise.

The below brings to life how this can evolve, and which aspects and skills become more and more important as the role expands in its strategic value and remit.

<table>
<thead>
<tr>
<th>GPO light role</th>
<th>GPO advanced role</th>
<th>GPO leading role</th>
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<tbody>
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<td><strong>GPO capabilities</strong></td>
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<td>Systematic thinking</td>
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<td>Outcome orientation</td>
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<td>Connected leadership</td>
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<td>Solution knowledge</td>
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<td>Business acumen</td>
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The GPO light role is typical for more traditional shared services, or enterprises that have not established end-to-end processes, nor have planned a digital transformation or planned to move to next-generation ERP. The role has mainly an execution remit, although at times might take ownership to drive the selection and implementation of point solutions. Key characteristics are extensive knowledge of the current process and underlying technology solution and a good understanding of the business needs, on a tactical level. The main focus is on process maintenance, daily fire fighting and the best-case scenario on continuous improvements.

The GPO advanced role is typical for the GBS 1.0 setup and enterprises that are on a digital transformation journey. Systematic thinking gets increasingly relevant and enables the GPO to connect the respective end-to-end process to the overall strategy and understand strategic impacts. Business acumen is especially important for end-to-end process management and performance measurement. This is where we see solution ownership come into play and a wider remit on the technology roadmap along with policy adherence and process improvements. Business acumen is especially important for end-to-end process management and performance measurement.

The GPO leading model is typical for next-wave GBS and for next-generation ERP and digital transformations. As a global product, solution or experience owner, the GPO leading model requires a full set of capabilities to make an impact with a future-fit end-to-end integrated solution and deliver and protect the value case. As leading GBS organizations focus on customer centricity, end-to-end services, and intelligent automation while enterprises are starting or are in the midst of a digital transformation, this requires the GPO to perform different leadership roles with different business and IT stakeholders and own and manage budget. We see these leaders come more often from functional areas of excellence, bringing new skills and mindsets for the benefit of GBS and the business.
8. What career and upskilling opportunities will enable the GPO of the future to be successful?

The GPO career path offers an opportunity to drive value to the business by breaking-down silos, scaling new skills and building intimacy across customer groups. We believe this is one of the most critical and exciting roles and ways (for GBS) to grow leaders in and across the business.

Evolution of GPO role, what is emerging as the next skill set.

1. **E2E experience amplifier**
   - Freeing up resources from transactional activities offers the opportunity for GBS organizations to focus on value-added activities and continuous process improvement. A deeper understanding of end-to-end processes is required to develop and improve your people and customer experience. To do so requires skills across human-centered design, UI/UX capability, service design and research. GPOs must be comfortable with these new skills and bring them into their teams. When we say “end-to-end” every GPO also now needs to think multi-functional, looking up and downstream.

2. **Data ownership**
   - Data ownership is becoming ever-important with no real capability across master data in individual functions within business units and corporate or GBS. Data journeys and the understanding of how to bring or exploit operational and experience data, be it employee or customer, will position GPOs as close partners to commercial functions. New skills and trust in the functions are key to making this work. Data ownership is one thing, but thinking through how data impacts the business, how it performs, drives the metrics and reinforces behaviors is where a GPO can really differentiate.

3. **Demand for creativity**
   - Creativity and an agile, adaptable mindset will be a market differentiator for GPOs going forward. Systems will provide data, but people will provide ideas on the usage of data in testing, scaling, and proving business value through hypothesis. The ability to story tell and bring creativity to problem-solving will enable GPOs to be the change agents they can be. It can also be critical as a lever to attract and retain the best talent, affording them opportunities to grow.
The ability to build relationships across functions, as technology facilitates integration across the business, customer centricity, and thinking end-to-end through services is critical. Understanding the needs and desires of the customer(s) of an end-to-end process and how to meet these needs is another area where a GPO will need to excel.

Retention skills and talent is pivotal to taking advantage of digital technology in delivering greater business value. Transitioning to a knowledge-based GBS workforce increases the training requirements to upskill specialist employees in new technologies. GPOs going forward must live and activate the GBS employee value proposition to attract this next generation of talent.

As technology reduces the demand for human transactional processing within the business and GBS, a different skill mix will become increasingly important. Partnerships and contingent, short-term resources will be necessary to keep up with technology and adapt to the changing demand. GPOs must now move into the talent management space, looking across the entire function and the impact of technology on skills. This will position the GPO into broader workforce planning activities and show how the GBS organization can be a solution to planning for and building new skills.

These demands are evolving the role of a GPO, where they come from, and where their latticed careers can take them. More cross-functional career paths, and movement between business and GBS, where applicable, make it a very exciting and diversified role required across all GBS towers and horizontal capabilities. This can lead to a career in retained functions and/or leadership roles across GBS like innovation, service management and continuous improvement.
Conclusion

The GPO role is becoming more widely adopted, and strategic in delivering transformation across the enterprise, especially where the organization is looking to drive further value from GBS and or deliver large transformational change, through the implementation of a next-generation ERP and of disruptive technologies.

However, many GPOs today do not have the required skills or are not empowered within their organization to deliver upon their remit. It is critical the role is clearly defined amongst key stakeholders, with strong senior sponsorship and governance put in place.

There are different places to house the GPO role, but where they sit depends on a number of different factors, and different models may even coexist within the same enterprise. A GPO global council on the enterprise level is imperative.

As the GPO role evolves, the capabilities for them to be successful are shifting towards thought leadership, influencing leaders, and demonstrating strong business acumen. The roles and responsibilities of the future-fit GPO are also evolving, from the definition of the process “north star” to defining and driving the solution innovation and continuous improvement agenda.

Finally, the GPO will need to build new skills in order to really drive value and potentially become future leaders in the business.
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